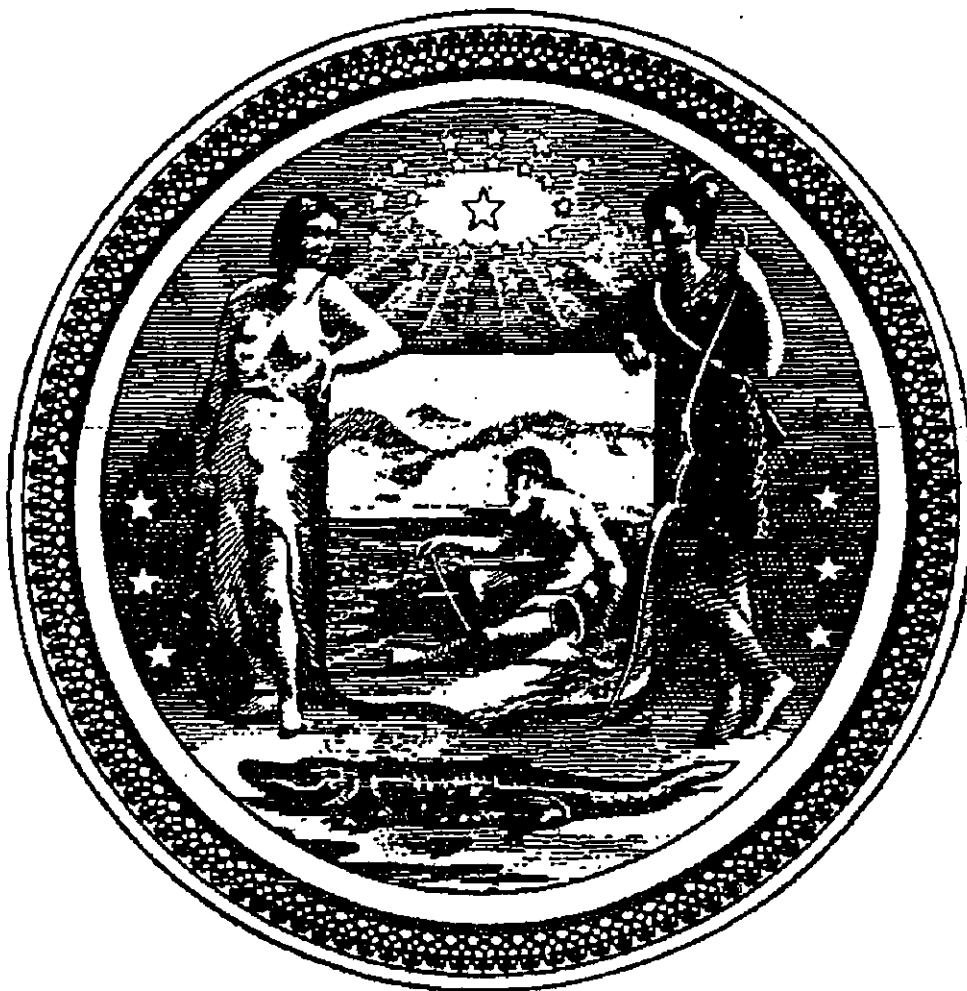


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**CITY OF NEW ORLEANS
BOARD OF LIQUIDATION
CITY DEBT
ANNUAL STATEMENT
DECEMBER 31, 2009**

www.boardofliquidation.com

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/31/10

BOARD OF LIQUIDATION, CITY DEBT
NEW ORLEANS, LOUISIANA
DECEMBER 31, 2009

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BOARD OF LIQUIDATION, CITY DEBT
NEW ORLEANS, LOUISIANA
DECEMBER 31, 2009

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COMPOSITION AND AUTHORITY OF THE BOARD OF LIQUIDATION, CITY DEBT

The Board of Liquidation, City Debt, is a body corporate composed of six citizens of the City of New Orleans. Three ex-officio members, consisting of the Mayor and the two Councilmembers-at-Large, makeup the board of nine members. The Board has exclusive control and direction of all matters relating to the bonded debt of the City of New Orleans.

OFFICERS OF THE BOARD

Mary K. Zervigon, President
Barbara Lamont, Vice President
David W. Gernhauser, Secretary
Tracy David Madison, Assistant Secretary

COUNSEL

Lemle & Kelleher

MEMBERS OF THE BOARD

Barbara Lamont
Richard P. Wolfe

Wanda Ackers-Brooks
Alan C. Arnold

Mary K. Zervigon
Gerald Williams

Jacquelyn B. Clarkson, Council at Large
Arnie Fielkow, Council at Large
C. Ray Nagin, Mayor

Ex-Officio
Ex-Officio
Ex-Officio

MARY K. ZERVIGON
PRESIDENT

BARBARA LAMONT
VICE PRESIDENT

DAVID W. GERNHAUSER
SECRETARY

TRACY DAVID MADISON
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WANDA ACKERS BROOKS
BARBARA LAMONT
GERALD WILLIAMS
RICHARD P. WOLFE
MARY K. ZERVIGON

Board of Liquidation, City Debt

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JACQUELYN B. CLARKSON, EX OFFICIO
ARNIE FIELKOW, EX OFFICIO
C. RAY NAGIN, EX OFFICIO

January 2, 2010

President and Members
Council of the City of New Orleans
City Hall
New Orleans, Louisiana 70112

Ladies and Gentlemen:

Under the provisions of the Constitution of Louisiana of 1921, made statutory by the Constitution of Louisiana of 1974, the Board of Liquidation, City Debt, is required to submit to the Council of the City of New Orleans a detailed report of all receipts and expenditures and all transactions of the Board of Liquidation, City Debt.

These transactions are reported for the twelve month period ending December 31, 2009 for the Bonded Debt administered by the Board of Liquidation, City Debt, for the accounts of the Sewerage and Water Board of New Orleans, the Audubon Park Commission of New Orleans, the Downtown Development District of New Orleans, the Audubon Area Security District, the Garden District Security Tax District, Huntington Park Subdivision Improvement District, the Kingswood Subdivision Improvement District, the Lake Bullard Neighborhood Improvement District, the Lake Carmel Improvement District, the Lake Forest Estates Improvement District, the Lake Oaks Subdivision Improvement District, the McKendall Estates Neighborhood Improvement District, the Spring Lake Improvement District, the Touro-Boulogny Security District, the Twinbrook Security District, and the Upper Hurstville Security District.

Sincerely,



Mary K. Zervigon



David W. Gernhauser

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2009

Introduction

Within this section of the Board of Liquidation, City Debt's (the "Board") annual financial report, management provides narrative discussion and analysis of the financial activities of the Board for the fiscal year ended December 31, 2009. The Board's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the transmittal letter which precedes the *Management's Discussion and Analysis*. The discussion focuses on the Board's primary government, and unless otherwise noted, there are no component units to be reported separately from the primary government.

Fund Accounting

The Board maintains one Fiduciary Fund to account for its activities, the Agency Fund. An Agency Fund is used to account for assets held for other funds, governments, or individuals. Accordingly, the accounts of the Board are organized and maintained on the basis of funds, each of which is considered a separate accounting entity, and is maintained for the purpose of attaining objectives in accordance with the various special restrictions, regulations and limitations.

Overview of Financial Statements

Management's Discussion and Analysis introduces the Board's basic financial statements. The basic financial statements are comprised of one fiduciary fund and includes:

(1) The Combining Statement of Assets, Liabilities and Custodial, Debt Service and Reserve Funds - Modified Cash Basis, (2) The Combining Statement of Cash Receipts, Disbursements and Changes in Liabilities and Custodial Debt Service and Reserve Funds - Modified Cash Basis, and (3) Notes to Financial Statements.

The Board also includes in this report additional information to supplement the basic financial statements.

Basic Financial Statements

The Combining Statement of Assets, Liabilities and Custodial, Debt Service and Reserve Funds - Modified Cash Basis presents all the assets and liabilities administered by the Board. Over time, increases and decreases in the balances presented on this financial statement may be useful indicators of whether the financial position of the Board is improving or deteriorating. However, evaluation of the economic health of the Board would extend to other non-financial factors such as the diversification of the taxpayer base in addition to the financial information provided in this report.

The Combining Statement of Cash Receipts, Disbursements, and Changes in Liabilities and Custodial, Debt Service and Reserve Funds - Modified Cash Basis, reports the Board's inflows and outflows of cash. The purpose of the report is to show the sources and uses of funds administered by the Board.

Notes to Financial Statements

The accompanying Notes to Financial Statements provide information essential to a full understanding of the Board's financial statements. The notes to the financial statements begin immediately following the basic financial statements.

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2009

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Supplemental Information. This supplemental information follows the notes to the financial statements and includes:

Combining Schedules of Assets, Liabilities and Debt Service, Reserve and Custodial Funds for all activities administered by the Board; Combining Schedules of Cash Receipts, Disbursements and Changes in Liabilities, Debt Service, Custodial and Reserve Funds for all activities administered by the Board; details of bonded debt administered by the Board; details of bond sales during the year; details of ad valorem tax millage available to service bonded debt; and details of certain disbursements made during the year.

Financial Analysis of the Board's Funds

As year-to-year financial information is accumulated on a consistent basis, changes in fund balances may be observed and used to discuss the changing financial position of the Board as a whole.

Fiduciary Funds

The Debt Service and Reserve Funds in the Debt Administration section of the financial report have a fund balance of \$65,760,634. The Tax Credit Bond loan payable balance of \$118,533,615 is a result of the Board and the custodial agencies entering into Cooperative Endeavor Agreements with the State of Louisiana to secure proceeds from the Gulf Opportunity Tax Credit Bond Loan Program. Escrow accounts were created at Hancock Bank to make debt service payments on outstanding bonds for governmental agencies affected by Hurricanes Katrina and Rita. The General Obligation Debt Service Funds are designated for future debt service payments and were included in calculating the millage necessary to service the General Obligation Debt for 2010. The 2010 millage levy is 25.50 mills, increasing from the 23.8 mills in 2009. The issuance of additional general obligation bonds is the key factor contributing to the increased millage.

The following table provides a summary of the Board's assets, liabilities, custodial, debt services and reserve funds and the related changes in receipts over disbursements:

	<u>Debt Administration</u>		
	<u>2009</u>	<u>2008</u>	<u>Changes</u>
Total assets	\$ <u>93,639,546</u>	\$ <u>99,848,855</u>	\$ <u>(6,209,309)</u>
Total liabilities	\$ <u>27,878,912</u>	\$ <u>27,911,969</u>	\$ <u>(33,057)</u>
Total custodial debt service and reserve fund	\$ <u>65,760,634</u>	\$ <u>71,936,886</u>	\$ <u>(6,176,252)</u>
Receipts	\$ <u>139,246,012</u>	\$ <u>90,520,578</u>	\$ <u>48,725,434</u>
Disbursements	\$ <u>145,455,321</u>	\$ <u>92,500,788</u>	\$ <u>52,954,533</u>
Excess (deficiency) of receipts over disbursements	\$ <u>(6,209,309)</u>	\$ <u>(1,980,210)</u>	\$ <u>(4,229,099)</u>

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2009

	<u>Custodial Accounts</u>		
	<u>2009</u>	<u>2008</u>	<u>Changes</u>
Total assets	\$ <u>85,205,984</u>	\$ <u>122,155,324</u>	\$ <u>(36,949,340)</u>
Total liabilities	\$ <u>90,916,406</u>	\$ <u>90,039,293</u>	\$ <u>877,113</u>
Total custodial debt service and reserve fund	\$ <u>(5,710,422)</u>	\$ <u>32,116,031</u>	\$ <u>(37,826,453)</u>
Receipts	\$ <u>52,183,911</u>	\$ <u>71,127,634</u>	\$ <u>(18,943,723)</u>
Disbursements	\$ <u>89,133,251</u>	\$ <u>102,478,801</u>	\$ <u>(13,345,550)</u>
Excess (deficiency) of receipts over disbursements	\$ <u>(36,949,340)</u>	\$ <u>(31,351,167)</u>	\$ <u>(5,598,173)</u>

	<u>Totals</u>		
	<u>2009</u>	<u>2008</u>	<u>Changes</u>
Total assets	\$ <u>178,845,530</u>	\$ <u>222,004,179</u>	\$ <u>(43,158,649)</u>
Total liabilities	\$ <u>118,795,318</u>	\$ <u>117,951,262</u>	\$ <u>844,056</u>
Total custodial debt service and reserve fund	\$ <u>60,050,212</u>	\$ <u>104,052,917</u>	\$ <u>(44,002,705)</u>
Receipts	\$ <u>191,429,923</u>	\$ <u>161,648,212</u>	\$ <u>29,781,711</u>
Disbursements	\$ <u>234,588,572</u>	\$ <u>194,979,589</u>	\$ <u>39,608,983</u>
Excess (deficiency) of receipts over disbursements	\$ <u>(43,158,649)</u>	\$ <u>(33,331,377)</u>	\$ <u>(9,827,272)</u>

Key Changes in Assets and Liabilities include:

- Assets decreased \$6,209,309 in debt administration due to the Sewer BAN's maturing in 2009.
- Assets decreased \$36,949,340 in the custodial accounts due to decreased receipts and payment of debt.
- Liabilities decreased \$33,057 in debt administration due to the payments of debt and increased \$877,113 in the custodial accounts. The increase is primarily due to the Gulf Opportunity Tax Credit Bond Loan Program loan proceeds drawn down and used during 2009.

Key changes in receipts include:

Debt Administration

- Ad valorem tax receipts increased \$4,948,071.
- Bond proceeds increased \$22,524,755.
- Debt service funds increased \$22,643,211.
- Debt service from the Gulf Opportunity Tax Credit Bond Loan Program loan increased \$877,113.

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2009

Key changes in receipts include: (Cont'd)

Debt Administration (Cont'd)

- Interest on investments decreased \$1,654,201. This was primarily due to a decrease in interest rates as a result of the national financial crisis.
- Excess debt service and reserve decreased \$613,231.

Custodial Accounts

- Ad valorem taxes increased \$2,268,176.
- Interest on investments decreased \$3,678,307.
- Revenue Sharing - State of Louisiana decreased \$383,192.
- Tax Credit Bond Loan proceeds decreased \$16,466,675.
- Fee current year decreased \$201,857.
- Fee prior year increased \$33,569.
- Excess reserve and debt service funds decreased \$515,436.

Key changes in disbursements include:

Debt Administration

- Interest payments increased \$143,329. This increase follows the payments required under the debt service schedules.
- Principal payments increased \$53,223,195. The majority of this increase was due to the General Obligation bonds being called in 2009 and the Sewer BAN's which matured in 2009. The remainder of the increase is due to the payments required under the debt service schedules.
- Funds returned to the City of New Orleans, Sewer and Water Board, and Audubon Park Commission decreased by \$670,549 because of the difference in interest earnings.
- Cost of issuance increased \$204,691.

Long-term Debt Administration

At the end of the fiscal year, the Board administers total bonded debt outstanding of \$548,018,709 in General Obligation Bonds and \$26,845,000 in Limited Tax Bonds. The General Obligation Bonds are backed and fully funded with an unlimited ad valorem tax levy through the Board's statutory authority. The Limited Tax Bonds are supported by a voter approved tax millage of 2.5 mills collected by the City of New Orleans and remitted to the Board daily. Other Custodial long-term debt is supported by voter approved special tax millages and revenues generated through the custodial agency. Debt service is collected from these custodial special taxes to pay debt service on special tax bonds. Debt service on the Revenue Bonds are supported by revenues remitted to the Board on a monthly basis by the Sewerage and Water Board of New Orleans.

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2009

Long-term Debt Administration (Cont'd)

Outstanding bonds administered by the Board at December 31, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
City of New Orleans:		
General Obligation Bonds	\$548,018,709	\$523,955,533
Limited Tax Bonds	\$ 26,845,000	\$ 28,480,000
Sewerage & Water Board of New Orleans:		
Drainage System Bonds	\$ 21,525,000	\$ 22,710,000
Sewerage Service Revenue Bonds	\$184,055,000	\$170,745,000
Sewerage Service Revenue Bonds		
Anticipation Notes	\$ 0	\$ 24,030,000
Water Revenue Bonds	\$ 36,750,000	\$ 38,770,000
Audubon Park Commission:		
Audubon Park Improvement Bonds	\$ 2,170,000	\$ 2,415,000
Audubon Aquarium Bonds	\$ 29,643,572	\$ 31,963,572
Downtown Development District:		
Downtown Development District Bonds	\$ 5,910,000	\$ 6,125,000

Bond Ratings

Bond ratings for the General Obligation Bonds of the City of New Orleans by Moody's Rating Service, Fitch Rating Service, and Standard & Poor's Rating were Baa3, BBB, and BBB respectively. These are investment grade ratings. The Board officials, as well as the City of New Orleans administration, continue to meet with the rating agencies and expect a favorable report from the rating agencies when the City plans to issue bonds in 2010.

Material Events Notice

The Board filed a Material Events Notice with the Municipal Securities Rulemaking Board's (MSRB) Electronic Municipal Market Access system (EMMA), on November 16, 2009. The filing was necessary because the water revenue net operating income of the Sewerage and Water Board of New Orleans did not meet the requirements of LA RS33:40960. This Statute requires 130% debt service coverage and, according to the Sewer and Water Board of New Orleans' 2008 audited financial statements, this coverage was not met. The Sewerage and Water Board of New Orleans adopted a resolution on November 18, 2009, authorizing a rate study on the water revenue, sewerage revenue and drainage systems.

Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances, compliance with finance-related laws and regulations, and demonstrate the Board's commitment to public accountability. If you have any questions about this report or would like to request additional information, please visit the Board of Liquidation's website at www.boardofliquidation.com or contact the Board at Board of Liquidation, City Debt, 1300 Perdido Street, Room 8E17, New Orleans, Louisiana 70112.

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KEITH T. HAMILTON, C.P.A.
(1932-2003)
LEROY P. LEGENDRE, C.P.A.
(Retired)**

INDEPENDENT AUDITOR'S REPORT

**Mrs. Mary K. Zervigon, President, and Members
Board of Liquidation, City Debt
New Orleans, Louisiana**

We have audited the accompanying financial statements of the Board of Liquidation, City Debt, a component unit of the City of New Orleans, as of and for the year ended December 31, 2009 as listed in the table of contents. These financial statements are the responsibility of the management of the Board of Liquidation, City Debt. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note B, the Board of Liquidation, City Debt prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, custodial, and debt service and reserve fund balances of the Board of Liquidation, City Debt, at December 31, 2009, and cash receipts, disbursements and changes in liabilities, custodial and debt service fund balances for the year then ended, on the basis of accounting described in Note B.

Mrs. Mary K. Zervigon, President, and Members
Board of Liquidation, City Debt

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2010 on our consideration of the Board of Liquidation, City Debt's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 5 through 9 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purposes of additional analysis, and is not a required part of the financial statements of the Board of Liquidation, City Debt. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion is fairly stated in all material respects in relation to the financial statements taken as a whole.

Paciera, Gautreau, & Priest, LLC

March 11, 2010

FINANCIAL STATEMENTS

BOARD OF LIQUIDATION, CITY DEBT
FIDUCIARY FUND TYPE - AGENCY FUND
COMBINING STATEMENT OF ASSETS, LIABILITIES, AND CUSTODIAL,
DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2009

	Debt Administration	Account of Sewerage & Water Board
<u>ASSETS</u>		
Cash	\$ 34,218	\$ 377,222
Cash-Money Market Accounts	83,914,058	71,093,841
Certificates of deposit	941,343	0
U.S. Treasury Bills-cost	8,749,927	8,197,424
Total Assets	<u>\$ 93,639,546</u>	<u>\$ 79,668,487</u>
<u>LIABILITIES AND CUSTODIAL, DEBT SERVICE AND RESERVE FUNDS</u>		
Interest payable	\$ 90,503	\$ 0
Principal payable	171,200	0
Tax Credit Bond loan payable	27,617,209	77,465,247
Reserve funds	52,840,948	0
Debt service funds	12,919,686	0
Custodial fund balance (deficit)	<u>0</u>	<u>2,203,240</u>
Total Liabilities, and Custodial, Debt Service and Reserve Funds	<u>\$ 93,639,546</u>	<u>\$ 79,668,487</u>

See accompanying notes to financial statements.

Account of Downtown Development District	Account of Audubon Park Commission	Accounts of Special Taxing Districts	Total (Memorandum Only)
\$ 23,565	\$ 1,289	\$ 0	\$ 436,294
4,060,603	0	661,065	159,729,567
0	0	766,000	1,707,343
0	0	24,975	16,972,326
<u>\$ 4,084,168</u>	<u>\$ 1,289</u>	<u>\$ 1,452,040</u>	<u>\$ 178,845,530</u>

\$ 0	\$ 0	\$ 0	\$ 90,503
0	0	0	171,200
1,600,153	11,851,006	0	118,533,615
0	0	0	52,840,948
0	0	0	12,919,686
<u>2,484,015</u>	<u>(11,849,717)</u>	<u>1,452,040</u>	<u>(5,710,422)</u>
<u>\$ 4,084,168</u>	<u>\$ 1,289</u>	<u>\$ 1,452,040</u>	<u>\$ 178,845,530</u>

BOARD OF LIQUIDATION, CITY DEBT
FIDUCIARY FUND TYPE - AGENCY FUND
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN LIABILITIES,
AND CUSTODIAL, DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2009

	Debt Administration
<u>RECEIPTS</u>	
Ad valorem taxes-Current year	\$ 54,620,058
Ad valorem taxes-Prior years	1,084,279
Bond proceeds General Obligation-good faith deposit	400,000
Bond proceeds-refunding issue	22,124,755
Fee-Current year	0
Fee-Prior years	0
Revenue sharing-State of Louisiana	0
Debt service funds	56,710,403
Debt service-tax credit bond loan	2,427,061
Interest on investments	1,428,556
Tax Credit Bond loan proceeds	0
Excess reserve and debt service funds	450,900
Total receipts	<u>139,246,012</u>
<u>DISBURSEMENTS</u>	
Interest on bonds	59,560,288
Principal on bonds	84,687,124
Warrants	0
Debt service	0
Personal services	390,041
Contractual services	56,653
Legal and office expenses	36,722
Funds returned to City of New Orleans, Sewerage & Water Board, and Audubon Park Commission	439,711
Cost of issuance-bond issue	284,782
Total disbursements	<u>145,455,321</u>
Excess (Deficiency) of receipts over disbursements	(6,209,309)
Liabilities, and Custodial Debt Service and Reserve Funds at:	
December 31, 2008	99,848,855
December 31, 2009	<u>\$ 93,639,546</u>

See accompanying notes to financial statements.

Account of Sewerage & Water Board	Account of Downtown Development District	Account of Audubon Park Commission	Accounts of Special Taxing Districts	Total (Memorandum Only)
\$ 34,844,933	\$ 4,644,783	\$ 7,192,208	\$ 1,197,530	\$ 102,499,512
0	339,139	328,014	171,559	1,922,991
0	0	0	0	400,000
0	0	0	0	22,124,755
0	0	0	646,293	646,293
0	0	0	33,569	33,569
303,389	0	0	0	303,389
0	0	0	0	56,710,403
0	0	0	0	2,427,061
1,246,957	47,763	1,685	9,281	2,734,242
0	158,459	718,654	0	877,113
292,805	2,077	4,813	0	750,595
<u>36,688,084</u>	<u>5,192,221</u>	<u>8,245,374</u>	<u>2,058,232</u>	<u>191,429,923</u>
0	0	0	0	59,560,288
0	0	0	0	84,687,124
70,378,083	5,634,803	4,458,394	154	80,471,434
2,195,589	531,918	4,002,309	0	6,729,816
0	0	0	0	390,041
0	0	0	0	56,653
0	0	0	1,932,001	1,968,723
0	0	0	0	439,711
0	0	0	0	284,782
<u>72,573,672</u>	<u>6,166,721</u>	<u>8,460,703</u>	<u>1,932,155</u>	<u>234,588,572</u>
(35,885,588)	(974,500)	(215,329)	126,077	(43,158,649)
<u>115,554,075</u>	<u>5,058,668</u>	<u>216,618</u>	<u>1,325,963</u>	<u>222,004,179</u>
<u>\$ 79,668,487</u>	<u>\$ 4,084,168</u>	<u>\$ 1,289</u>	<u>\$ 1,452,040</u>	<u>\$ 178,845,530</u>

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
DECEMBER 31, 2009

A. General Information

The Board of Liquidation, City Debt (the "Board") is a component unit of the City of New Orleans (the "City"). The Board has exclusive control and direction of all matters relating to the bonded debt of the City of New Orleans. Accordingly, all of the City of New Orleans general obligation bonds, and the revenue and limited tax bonds issued for the Sewerage and Water Board of New Orleans, the Downtown Development District of New Orleans, and the Audubon Park Commission of New Orleans are sold by and through the Board. No bonds may be sold without approval of the members of the Board. All property taxes levied by the City and dedicated to the payment of outstanding general obligation and limited tax bonds are collected by the City and, as required by law, paid over to the Board, day by day as collected. Such tax revenues are invested in fully secured certificates of deposit and/or full faith and credit obligations of the U.S. Government until applied by the Board to the payment of principal and interest on outstanding bonds.

The Board annually determines the amount of Ad Valorem Tax millage necessary to be levied and collected by the City in the next fiscal year for the payment during such year of principal and interest on all outstanding general obligation bonds of the City and all such general obligation bonds proposed to be issued by the City in such year. This determination is based upon an analysis by the Board of the current and anticipated assessed value of taxable property in the City and current and anticipated cash reserves held by the Board. The assessed value of property in the City of New Orleans for each year is determined by the Board of Assessors, comprised of seven elected officials, and certified by the Louisiana Tax Commission as complying with the Louisiana Constitution of 1974. The annual determination of the necessary tax millage to service bonds of the City is adopted by resolution of the Board that is submitted to the City Council. The millage recommended by the Board is then levied by the City Council.

No general obligation bonds, special tax bonds, or revenue bonds of the agencies mentioned above may be issued by the City without the approval of the Board of Liquidation, City Debt, and the Council of the City of New Orleans. The Board requires as a condition of such approval that a) the reasonably anticipated property tax revenues of the City be adequate to service the proposed bond issue and all outstanding bonds of the City and to maintain reasonable reserves, b) the proposed bond issue comply with any applicable legal debt limitation, and c) the purposes for which the bonds are sold be capital in nature. All new general obligation bond issuance must be approved by a majority of the voters in the City. Act 1 of 1994 by the Louisiana Legislature establishes the legal debt limit for the City of New Orleans. Act 4 of 1916, as amended, by the Louisiana Legislature and Article VI, Section 33 of the Louisiana Constitution of 1974 provides that the full faith and credit of the City of New Orleans are pledged for its general obligation bonds and the City is authorized to levy taxes upon all taxable property in the City without limitation of rate or amount sufficient to pay the principal and interest on such bonds as they mature.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2009

General Information (Cont'd)

The Board of Liquidation issues bonds for the Sewerage and Water Board of New Orleans, the Downtown Development District of New Orleans, and the Audubon Park Commission of New Orleans. Issued in the name of the City of New Orleans, these bonds may be funded by the dedicated millage or water and sewer rates. The Sewerage and Water Board, the Council of the City of New Orleans, and the Board of Liquidation, City Debt, must approve the water and sewerage service rates necessary to fund any bonds. Ad Valorem Tax millage necessary to service special tax bonds is set by statute and levied by the Council of the City of New Orleans each year. Ad Valorem Tax millage necessary to service the general obligation bonded debt each year is determined by the Board of Liquidation, City Debt, and is levied by the Council of the City of New Orleans annually.

In addition, the Board of Liquidation, City Debt, serves in a custodial capacity for the accounts of the Sewerage and Water Board of New Orleans, the Downtown Development District of New Orleans, the Audubon Park Commission of New Orleans, the Lake Forest Estates Improvement District, the Garden District Security Tax District, the Springlake Improvement District, the Audubon Area Security District, the Lake Bullard Neighborhood Improvement District, the Lake Carmel Subdivision Improvement District, Lake Oaks Subdivision Improvement District, the Huntington Park Subdivision Improvement District, the McKendall Estates Neighborhood Improvement District, the Upper Hurstville Security District, the Touro Bouligny Security District, the Kingswood Subdivision Improvement District and the Twinbrook Security District.

Funds collected for these agencies are deposited in special accounts or invested in Certificates of Deposit and/or full faith and credit obligations of the U.S. Government. The Board of Liquidation, City Debt, pays any expenditure made from these accounts as authorized by warrants and supporting resolutions of the various agencies.

Administration expenditures paid in connection with the operations of the Board are recorded within Debt Administration.

B. Summary of Significant Accounting Policies

Fund Accounting

The Board maintains one Fiduciary Fund to account for its activities, the Agency Fund. An Agency fund is used to account for assets held for other funds, governments, or individuals. Accordingly, the accounts of the Board are organized and maintained on the basis of funds, each of which is considered a separate accounting entity, and is maintained for the purpose of attaining objectives in accordance with the various special restrictions, regulations and limitations.

Method of Accounting

The Board prepares its financial statements on the modified cash basis of accounting wherein receipts are recognized when received rather than when earned and disbursements are recognized when disbursed rather than when incurred, except for matured and unpaid bonds and coupons and the tax credit bond loan proceeds, which are reflected as liabilities when the obligation is incurred.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2009

C. Cash, Escrow Funds and Time Certificates of Deposit

At December 31, 2009, the Board's deposits with banks consisted of cash totaling \$436,294, money market account deposits totaling \$159,729,567 and time certificates of deposit of \$1,707,343. These deposits were covered by Federal Deposit Insurance or by collateral held by a third party in the Board's name.

D. Bank Balances

At December 31, 2009, the Board had bank balances of cash and Certificates of Deposits categorized as follows:

Insured	\$ 513,258
Collateralized	<u>164,781,139</u>
Total Bank Balances	<u>\$165,294,397</u>

E. Investments

Investments are stated at cost. At December 31, 2009 the carrying amount of the Board's investment in U.S. Treasury Bills was \$16,972,325 with a market value of \$16,990,512. The Board's agents in the Board's name hold these uninsured and unregistered investments.

Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2009 are as follows:

	Fair Value Measurements At Reporting Date Using:	Quoted Prices in Active Markets for Identical Assets (Level 1)
	<u>Fair Value</u>	
T Bills	<u>\$16,990,512</u>	<u>\$16,990,512</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

F. Annual and Sick Leave

All present employees of the Board are permitted to accumulate annual and sick leave. Upon termination of employment, an employee is paid for his accumulated annual leave based on his current hourly rate of pay, and for his accumulated sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting his accrued sick leave to additional years of service. At December 31, 2009 this amount totaled \$109,479.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2009

G. Pension Plan

Employees of the Board are covered under a City of New Orleans Employees' Pension Plan, a single-employer, and contributory defined benefit pension plan. The plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. This report may be obtained by writing or calling the plan at:

Employee Retirement System of New Orleans
1300 Perdido Street, Room 1E08
New Orleans, Louisiana 70112
(504) 299-4150

Under this plan, employees with thirty years of service, or who attain age sixty with ten years of service, or age sixty-five, irrespective of length of service are entitled to a retirement allowance. The retirement allowance consists of an annuity, which is the actuarial equivalent of the employees' accumulated contribution plus an annual pension, which, together with the annuity, provides a total retirement allowance equal to 2% to 4% of average compensation times the number of years of service. The maximum pension may not exceed 100% of average compensation. Pension amounts are reduced for service retirement prior to age sixty-two. Average compensation is defined as average earned annual compensation for the highest thirty-six consecutive months of service. Mandatory retirement age is seventy.

Pension benefits vest at age sixty or after completion of ten years of service. The Employees' Pension Plan also provides death and disability benefits.

Employees contribute 4% of their salary per year. Employer contributions to the plan are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years beginning July 1, 1974, using the level percentage of payroll method. The Board's contributions to the Plan during the year totaled \$39,463.

H. Gulf Opportunity Tax Credit Bond Loan Program

On July 19, 2006 the Board of Liquidation, City Debt entered into Cooperative Endeavor Agreements with the State of Louisiana to secure proceeds from the State's Gulf Opportunity Tax Credit Bond Loan Program. These agreements are intended for the following purposes:

Paying debt service of the City of New Orleans on outstanding debt for general obligation and special limited tax bonds.

Paying outstanding debt for special tax bonds of the:

Downtown Development District,
Audubon Commission, and
Sewerage and Water Board of New Orleans, and

Paying outstanding sewerage revenue and water revenue bonds of the Sewerage and Water Board.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2009

Gulf Opportunity Tax Credit Bond Loan Program (Cont'd)

The loan proceeds will be held in escrow at Hancock Bank and distributed to the Bank of New York, the Board of Liquidation's paying agent, as debt service maturities become payable. The amounts in escrow are not recorded on the books until these transfers take place. Once transferred, the debt service payments are made and the loan proceeds are recorded as loans payable in the appropriate custodial accounts.

These loans mature on July 15, 2012, at which time the borrower can either apply for a five year deferment, pay the loan in full or make semi-annual payments in accordance with the twenty-five year debt service schedule that ends on July 15, 2026.

Total amounts available under these loans are:

Cooperative Endeavor Agreement between the State and:

Board of Liquidation:

General obligation bonds	\$ 24,713,549
Limited tax bonds	<u>2,903,660</u>
	<u>27,617,209</u>

Downtown Development District	<u>1,600,153</u>
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Audubon Park Commission:

Audubon Park Commission .32 Mills	1,091,230
Audubon Park Commission 2.99 Mills	<u>10,759,776</u>
	<u>11,851,006</u>

Sewerage and Water Board	<u>77,465,247</u>
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\$118,533,615

Borrowings as of December 31, 2009 were:

Cooperative Endeavor Agreement between the State and:

Board of Liquidation:

General obligation bonds	\$ 24,713,549
Limited tax bonds	<u>2,903,660</u>
	<u>27,617,209</u>

Downtown Development District	<u>1,600,153</u>
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Audubon Park Commission:

Audubon Park Commission .32 Mills	1,091,230
Audubon Park Commission 2.99 Mills	<u>10,759,776</u>
	<u>11,851,006</u>

Sewerage and Water Board	<u>77,465,247</u>
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\$118,533,615

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2009

Gulf Opportunity Tax Credit Bond Loan Program (Cont'd)

As of December 31, 2009, the \$24,713,549 available for general obligation bonds was borrowed to make fiscal year 2006 debt service payments.

As of December 31, 2009, the \$2,903,660 available for the City of New Orleans Limited Tax bonds was borrowed to make the debt service payment that was due September 1, 2006 and March 1, 2007 debt service payment.

As of December 31, 2009, \$1,600,153 available for the Downtown Development District was borrowed to make the debt service payments due on December 1, 2006, June 1, 2007, December 1, 2007, June 1, 2008, December 1, 2008 and June 1, 2009.

As of December 31, 2009, the \$11,851,006 available for the Audubon Commission was borrowed to make the debt service payments due on October 1, 2006, December 1, 2006, April 1, 2007, June 1, 2007, October 1, 2007, December 1, 2007, April 1, 2008, June 1, 2008, October 1, 2008, December 1, 2008 and June 1, 2009.

In addition to the above loans, the Audubon Park Commission's Cooperative endeavor agreement includes an additional \$4,907,500 for their 1997 Aquarium Revenue Bonds. These bonds are not part of the Board's responsibility; accordingly, the related loan is not included in the accompanying financial statements.

As of December 31, 2009, the entire \$77,465,247 available for the Sewerage and Water Board of New Orleans was borrowed. \$45,965,247 was used to make debt service payments on the Drainage System special tax bonds, Sewerage Service revenue and Water revenue bonds that were due on December 1, 2006, June 1, 2007, December 1, 2007, June 1, 2008, and \$31,500,000 was used to make a partial payment on the maturing Sewerage Service Revenue bond anticipation notes that matured on July 26, 2006.

Debt service payments made through the Gulf Opportunity Tax Credit Loan Program in the current year are recorded as defeased bonds and listed separately from the outstanding bonds of the Audubon Commission, Downtown Development District, and Sewerage and Water Board of New Orleans.

I. Total (Memorandum Only) Columns

The total columns are captioned "memorandum only" because they do not represent consolidated financial information and are presented only to make financial analysis easier. Data in these columns do not present financial position in accordance with the other comprehensive basis of accounting disclosed in Note B. Interfund eliminations have not been made in the aggregation of this data.

SUPPLEMENTAL INFORMATION

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BOARD OF LIQUIDATION, CITY DEBT
DEBT ADMINISTRATION
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND
DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2009

	General Obligation Bonds	Capital Improvement Limited Tax	Drainage System Bonds 6 mill	Drainage System Bonds 9 mill	Water Revenue Bonds
ASSETS					
Cash (Due to other funds)	\$ (104,845)	\$ 0	\$ 80	\$ 23,905	\$ 7,561
Cash-Money Market Accounts	48,993,856	5,240,291	0	0	5,034,762
Certificates of deposit	0	0	0	0	0
U.S. Treasury Bills-cost	8,749,927	0	0	0	0
Total Assets	\$ 57,638,938	\$ 5,240,291	\$ 80	\$ 23,905	\$ 5,042,323
LIABILITIES AND DEBT SERVICE AND RESERVE FUNDS					
Interest payable	\$ 40,713	\$ 0	\$ 80	\$ 5,755	\$ 2,506
Principal payable	82,300	0	0	18,150	5,000
Tax Credit Bond loan payable	24,713,549	2,903,660	0	0	0
Reserve funds	32,167,487	0	0	0	3,928,380
Debt service funds	634,889	2,336,631	0	0	1,106,437
Total Liabilities, and Debt Service and Reserve Funds	\$ 57,638,938	\$ 5,240,291	\$ 80	\$ 23,905	\$ 5,042,323

Sewerage Service Revenue Bonds	Sewerage & Water Board Matured Bonds	Audubon Park Commission Bonds	Audubon Park Commission Aquarium Bonds	Downtown Develop- ment District Tax Bonds	Defeased Bonds	Total
\$ 6,128	\$ 37,142	\$ 710	\$ 0	\$ 0	\$ 63,537	\$ 34,218
24,645,149	0	0	0	0	0	83,914,058
350,386	0	307,088	0	273,869	0	941,343
0	0	0	0	0	0	8,749,927
<u>\$ 25,011,663</u>	<u>\$ 37,142</u>	<u>\$ 307,798</u>	<u>\$ 0</u>	<u>\$ 273,869</u>	<u>\$ 63,537</u>	<u>\$ 93,639,546</u>

\$ 810	\$ 12,142	\$ 710	\$ 0	\$ 0	\$ 27,787	\$ 90,503
5,000	25,000	0	0	0	35,750	171,200
0	0	0	0	0	0	27,617,209
16,164,124	0	307,088	0	273,869	0	52,840,948
8,841,729	0	0	0	0	0	12,919,686
<u>\$ 25,011,663</u>	<u>\$ 37,142</u>	<u>\$ 307,798</u>	<u>\$ 0</u>	<u>\$ 273,869</u>	<u>\$ 63,537</u>	<u>\$ 93,639,546</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND
CUSTODIAL FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2009

	Construction & Extension Fund 2 mill	Drainage System Fund 3 mill	Drainage System Fund 6 mill
<u>ASSETS</u>			
Cash	\$ 750	\$ 1,475	\$ 107,774
Cash-Money Market Accounts	1,942,162	1,258,336	16,739,925
U.S. Treasury Bills-cost	499,422	0	0
 Total Assets	 <u>\$ 2,442,334</u>	 <u>\$ 1,259,811</u>	 <u>\$ 16,847,699</u>
<u>LIABILITIES AND CUSTODIAL FUNDS</u>			
Tax Credit Bond loan payable	\$ 0	\$ 0	\$ 0
Custodial fund balance (deficit)	2,442,334	1,259,811	16,847,699
Total Liabilities and Custodial Funds	<u>\$ 2,442,334</u>	<u>\$ 1,259,811</u>	<u>\$ 16,847,699</u>

Drainage System Fund 9 mill	Drainage System Bond Proceeds	Water Revenue Bond Proceeds	Sewerage Service Revenue Bond Proceeds	Total
\$ 666	\$ 49,545	\$ 41,852	\$ 175,160	\$ 377,222
25,259,659	5,455,899	2,922,142	17,515,718	71,093,841
2,399,418	399,593	199,797	4,699,194	8,197,424
<u>\$ 27,659,743</u>	<u>\$ 5,905,037</u>	<u>\$ 3,163,791</u>	<u>\$ 22,390,072</u>	<u>\$ 79,668,487</u>
\$ 4,335,115	\$ 0	\$ 6,807,041	\$ 66,323,091	\$ 77,465,247
23,324,628	5,905,037	(3,643,250)	(43,933,019)	2,203,240
<u>\$ 27,659,743</u>	<u>\$ 5,905,037</u>	<u>\$ 3,163,791</u>	<u>\$ 22,390,072</u>	<u>\$ 79,668,487</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND
CUSTODIAL FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2009

	<u>Special Tax Fund</u>	<u>DDD Bond Proceeds</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 20,004	\$ 3,561	\$ 23,565
Cash-Money Market Accounts	3,698,123	362,480	4,060,603
Total Assets	<u>\$ 3,718,127</u>	<u>\$ 366,041</u>	<u>\$ 4,084,168</u>
<u>LIABILITIES AND CUSTODIAL FUNDS</u>			
Tax Credit Bond loan payable	\$ 1,600,153	\$ 0	\$ 1,600,153
Custodial fund balance	2,117,974	366,041	2,484,015
Total Liabilities And Custodial Funds	<u>\$ 3,718,127</u>	<u>\$ 366,041</u>	<u>\$ 4,084,168</u>

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BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND
CUSTODIAL FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2009

	Aquarium Tax Fund
<u>ASSETS</u>	
Cash	\$ 406
<i>Total Assets</i>	<u>\$ 406</u>
<u>LIABILITES AND CUSTODIAL FUNDS</u>	
Tax Credit Bond loan payable	\$ 10,759,776
Custodial fund balance (deficit)	(10,759,370)
<i>Total Liabilites And Custodial Funds</i>	<u>\$ 406</u>

<u>Aquarium Bond Proceeds</u>	<u>Special Tax Fund</u>	<u>Total</u>
\$ 0	\$ 883	\$ 1,289
<u>\$ 0</u>	<u>\$ 883</u>	<u>\$ 1,289</u>
\$ 0	\$ 1,091,230	\$ 11,851,006
0	(1,090,347)	(11,849,717)
<u>\$ 0</u>	<u>\$ 883</u>	<u>\$ 1,289</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS AND
CUSTODIAL FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2009

	Audubon Area Security District	Garden District Security Tax District	Huntington Park Subdivision Improvement District	Kingswood Subdivision Improvement District	Lake Bullard Neighborhood Improvement District	Lake Carmel Subdivision Improvement District
ASSETS						
Cash-Money Market Accounts	\$ 57,468	\$ 269,444	\$ 18,711	\$ 77,883	\$ 15,134	\$ 18,108
Certificates of deposit	18,000	358,000	16,000	43,000	0	0
U.S. Treasury Bills-cost	0	24,975	0	0	0	0
<i>Total Assets</i>	<u>\$ 75,468</u>	<u>\$ 652,419</u>	<u>\$ 34,711</u>	<u>\$ 120,883</u>	<u>\$ 15,134</u>	<u>\$ 18,108</u>
CUSTODIAL FUND BALANCE	<u>\$ 75,468</u>	<u>\$ 652,419</u>	<u>\$ 34,711</u>	<u>\$ 120,883</u>	<u>\$ 15,134</u>	<u>\$ 18,108</u>

Lake Forest Estates Improvement District	Lake Oaks Subdivision Improvement District	McKendall Estates Neighborhood Improvement District	Springlake Improvement District	Touro- Bouligny Security District	Twinbrook Security District	Upper Hurtsville Security District	Total
\$ 67,471	\$ 307	\$ 9,689	\$ 2,209	\$ 71,128	\$ 4,978	\$ 49,536	\$ 661,065
0	89,000	0	31,000	93,000	60,000	58,000	766,000
0	0	0	0	0	0	0	24,975
<u>\$ 67,471</u>	<u>\$ 89,307</u>	<u>\$ 9,689</u>	<u>\$ 33,209</u>	<u>\$ 164,128</u>	<u>\$ 64,978</u>	<u>\$ 106,536</u>	<u>\$ 1,452,040</u>
<u>\$ 67,471</u>	<u>\$ 89,307</u>	<u>\$ 9,689</u>	<u>\$ 33,209</u>	<u>\$ 164,128</u>	<u>\$ 64,978</u>	<u>\$ 106,536</u>	<u>\$ 1,452,040</u>

BOARD OF LIQUIDATION, CITY DEBT
DEBT ADMINISTRATION
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN LIABILITIES, AND DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2009

	General Obligation Bonds	Capital Improvement Limited Tax	Drainage System Bonds 6 mill	Drainage System Bonds 9 mill	Water Revenue Bonds
RECEIPTS					
Ad valorem taxes-Current year	\$ 51,724,890	\$ 2,895,168	\$ 0	\$ 0	\$ 0
Ad valorem taxes-Prior years	1,084,279	0	0	0	0
Bond proceeds General Obligation-good faith deposit	400,000	0	0	0	0
Bond proceeds-refunding issue	0	0	0	0	0
Debt service funds	0	0	0	2,195,589	3,870,305
Debt service funds-tax credit bond loan	0	0	0	0	0
Interest on investments	1,412,322	0	0	0	2,152
Excess reserve and debt service funds	0	0	0	0	64,140
Total receipts	54,621,491	2,895,168	0	2,195,589	3,936,597
DISBURSEMENTS					
Interest on bonds	42,302,035	1,282,035	0	1,010,569	1,848,853
Principal on bonds	15,946,824	1,635,000	0	1,185,000	2,020,000
Personal services	390,041	0	0	0	0
Contractual services	56,653	0	0	0	0
Legal and office expenses	36,722	0	0	0	0
Funds returned to City of New Orleans, Sewerage & Water Board, and Audubon Park Commission	0	0	0	0	62,012
Cost of issuance-bond issue	18,751	0	0	0	0
Total disbursements	58,751,026	2,917,035	0	2,195,589	3,930,865
Excess (Deficiency) of receipts over disbursements	(4,129,535)	(21,867)	0	0	5,732
Liabilities, and Debt Service and Reserve funds at:					
December 31, 2008	51,768,473	5,262,158	80	23,905	5,036,591
December 31, 2009	\$ 57,638,938	\$ 5,240,291	\$ 80	\$ 23,905	\$ 5,042,323

Sewerage Service Revenue Bonds	Sewerage & Water Board Matured Bonds	Audubon Park Commission Bonds	Audubon Park Commission Aquarium Bonds	Downtown Development District Tax Bonds	Defeased Bonds	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 54,620,058
0	0	0	0	0	0	1,084,279
0	0	0	0	0	0	400,000
22,124,755	0	0	0	0	0	22,124,755
19,982,396	0	307,255	2,976,399	373,459	27,005,000	56,710,403
0	0	0	0	0	2,427,061	2,427,061
14,082	0	0	0	0	0	1,428,556
379,870	0	4,813	0	2,077	0	450,900
42,501,103	0	312,068	2,976,399	375,536	29,432,061	139,246,012
9,809,846	0	62,255	656,399	158,459	2,429,817	59,560,288
34,095,000	0	245,000	2,335,300	215,000	27,010,000	84,687,124
0	0	0	0	0	0	390,041
0	0	0	0	0	0	56,653
0	0	0	0	0	0	36,722
370,809	0	4,813	0	2,077	0	439,711
266,031	0	0	0	0	0	284,782
44,541,686	0	312,068	2,991,699	375,536	29,439,817	145,455,321
(2,040,583)	0	0	(15,300)	0	(7,756)	(6,209,309)
27,052,246	37,142	307,798	15,300	273,869	71,293	99,848,855
\$ 25,011,663	\$ 37,142	\$ 307,798	\$ 0	\$ 273,869	\$ 63,537	\$ 93,639,546

ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS
 COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CUSTODIAL FUNDS-MODIFIED CASH BASIS
 YEAR ENDED DECEMBER 31, 2009

	Construction & Extension Fund 2 mill	Drainage System Fund 3 mill	Drainage System Fund 6 mill
<u>RECEIPTS</u>			
Ad valorem taxes-Current year	\$ 0	\$ 9,869,187	\$ 9,998,985
Revenue sharing-State of Louisiana	0	303,389	0
Interest on investments	25,168	124,941	196,886
Excess reserve and debt service funds	0	0	0
<i>Total receipts</i>	<u>25,168</u>	<u>10,297,517</u>	<u>10,195,871</u>
<u>DISBURSEMENTS</u>			
Warrants	0	22,721,581	10,458,223
Debt service	0	0	0
<i>Total disbursements</i>	<u>0</u>	<u>22,721,581</u>	<u>10,458,223</u>
Excess (Deficiency) of receipts over disbursements	25,168	(12,424,064)	(262,352)
Liabilities and Custodial Fund Balance at:			
December 31, 2008	2,417,166	13,683,875	17,110,051
December 31, 2009	<u>\$ 2,442,334</u>	<u>\$ 1,259,811</u>	<u>\$ 16,847,699</u>

Drainage System Fund 9 mill	Drainage System Bond Proceeds	Water Revenue Bond Proceeds	Sewerage Service Revenue Bond Proceeds	Total
\$ 14,976,761	\$ 0	\$ 0	\$ 0	\$ 34,844,933
0	0	0	0	303,389
306,366	102,120	69,446	422,030	1,246,957
0	0	26,564	266,241	292,805
<u>15,283,127</u>	<u>102,120</u>	<u>96,010</u>	<u>688,271</u>	<u>36,688,084</u>
10,627,913	3,285,486	3,975,375	19,309,505	70,378,083
2,195,589	0	0	0	2,195,589
<u>12,823,502</u>	<u>3,285,486</u>	<u>3,975,375</u>	<u>19,309,505</u>	<u>72,573,672</u>
2,459,625	(3,183,366)	(3,879,365)	(18,621,234)	(35,885,588)
25,200,118	9,088,403	7,043,156	41,011,306	115,554,075
<u>\$ 27,659,743</u>	<u>\$ 5,905,037</u>	<u>\$ 3,163,791</u>	<u>\$ 22,390,072</u>	<u>\$ 79,668,487</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CUSTODIAL FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2009

	Special Tax Fund	DDD Bond Proceeds	Total
<u>RECEIPTS</u>			
Ad valorem taxes-Current year	\$ 4,644,783	\$ 0	\$ 4,644,783
Ad valorem taxes-Prior years	339,139	0	339,139
Interest on investments	44,373	3,390	47,763
Tax Credit Bond loan proceeds	158,459	0	158,459
Excess reserve and debt service funds	0	2,077	2,077
Total receipts	<u>5,186,754</u>	<u>5,467</u>	<u>5,192,221</u>
<u>DISBURSEMENTS</u>			
Warrants	5,634,803	0	5,634,803
Debt service	531,918	0	531,918
Total disbursements	<u>6,166,721</u>	<u>0</u>	<u>6,166,721</u>
Excess (Deficiency) of receipts over disbursements	(979,967)	5,467	(974,500)
Liabilities and Custodial Fund Balance at:			
December 31, 2008	4,698,094	360,574	5,058,668
December 31, 2009	<u>\$ 3,718,127</u>	<u>\$ 366,041</u>	<u>\$ 4,084,168</u>

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BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CUSTODIAL FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2009

	Aquarium Tax Fund
<u>RECEIPTS</u>	
Ad valorem taxes-Current year	\$ 6,496,876
Ad valorem taxes-Prior years	296,276
Interest on investments	419
Tax Credit Bond loan proceeds	656,399
Excess reserve and debt service funds	0
<i>Total receipts</i>	<u>7,449,970</u>
<u>DISBURSEMENTS</u>	
Warrants	3,862,276
Debt service	3,632,799
<i>Total disbursements</i>	<u>7,495,075</u>
Excess (Deficiency) of receipts over disbursements	(45,105)
Liabilities and Custodial Fund Balance at:	
December 31, 2008	45,511
December 31, 2009	<u>\$ 406</u>

<u>Aquarium Bond Proceeds</u>	<u>Special Tax Fund</u>	<u>Total</u>
\$ 0	\$ 695,332	\$ 7,192,208
0	31,738	328,014
1,266	0	1,685
0	62,255	718,654
0	4,813	4,813
<u>1,266</u>	<u>794,138</u>	<u>8,245,374</u>
171,380	424,738	4,458,394
0	369,510	4,002,309
<u>171,380</u>	<u>794,248</u>	<u>8,460,703</u>
(170,114)	(110)	(215,329)
170,114	993	216,618
<u>\$ 0</u>	<u>\$ 883</u>	<u>\$ 1,289</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CUSTODIAL FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2009

	Audubon Area Security District	Garden District Security Tax District	Huntington Park Subdivision District	Kingswood Subdivision Improvement District	Lake Bullard Neighborhood Improvement District
RECEIPTS					
Ad valorem taxes-Current year	\$ 0	\$ 706,968	\$ 0	\$ 0	\$ 0
Ad valorem taxes-Prior years	0	171,559	0	0	0
Fee-Current year	0	0	18,740	73,065	59,190
Fee-Prior years	0	0	0	0	0
Interest on investments	270	5,211	130	338	22
Total receipts	270	883,738	18,870	73,403	59,212
DISBURSEMENTS					
Warrants	12,000	800,000	10,000	10,000	44,001
Legal and office expenses	0	0	0	0	77
Total disbursements	12,000	800,000	10,000	10,000	44,078
Excess (Deficiency) of receipts over disbursements	(11,730)	83,738	8,870	63,403	15,134
Custodial Fund Balance at:					
December 31, 2008	87,198	568,681	25,841	57,480	0
December 31, 2009	\$ 75,468	\$ 652,419	\$ 34,711	\$ 120,883	\$ 15,134

Lake Carmel Subdivision Improvement District	Lake Forest Estates Improvement District	Lake Oaks Subdivision Improvement District	McKendall Estates Neighborhood Improvement District	Springlake Improvement District	Touro- Bouligny Security District	Twinbrook Security District	Upper Hurstville Security District	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 240,630	\$ 0	\$ 249,932	\$ 1,197,530
0	0	0	0	0	0	0	0	171,559
71,458	60,294	87,430	29,750	32,600	0	213,766	0	646,293
0	0	0	0	0	0	33,569	0	33,569
486	639	396	16	283	584	404	502	9,281
<u>71,944</u>	<u>60,933</u>	<u>87,826</u>	<u>29,766</u>	<u>32,883</u>	<u>241,214</u>	<u>247,739</u>	<u>250,434</u>	<u>2,058,232</u>
125,000	100,000	80,000	20,000	30,000	209,000	272,000	220,000	1,932,001
0	0	0	77	0	0	0	0	154
<u>125,000</u>	<u>100,000</u>	<u>80,000</u>	<u>20,077</u>	<u>30,000</u>	<u>209,000</u>	<u>272,000</u>	<u>220,000</u>	<u>1,932,155</u>
(53,056)	(39,067)	7,826	9,689	2,883	32,214	(24,261)	30,434	126,077
71,164	106,538	81,481	0	30,325	131,914	89,239	76,102	1,325,963
<u>\$ 18,108</u>	<u>\$ 67,471</u>	<u>\$ 89,307</u>	<u>\$ 9,689</u>	<u>\$ 33,208</u>	<u>\$ 164,128</u>	<u>\$ 64,978</u>	<u>\$ 106,536</u>	<u>\$ 1,452,040</u>

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BONDED DEBT ADMINISTERED
BY BOARD OF LIQUIDATION, CITY DEBT
DECEMBER 31, 2009

	<u>Date of Bonds</u>	<u>Final Serial Maturity</u>
<u>GENERAL OBLIGATION BONDS (Note B.)</u>		
General Obligation Refunding Bonds, Series 1991 (Notes C. and D.)	Sep. 1, 1991	Sep. 1, 2021
General Obligation Refunding Bonds, Series 1998	Dec. 1, 1998	Dec. 1, 2026
Public Improvement Bonds, Issue of 2001	Apr. 1, 2001	Dec. 1, 2030
Public Improvement Bonds, Issue of 2002	Apr. 1, 2002	Dec. 1, 2031
General Obligation Refunding Bonds, Series 2002	Apr. 1, 2002	Sep. 1, 2021
Public Improvement Bonds, Issue of 2003	Oct. 1, 2003	Oct. 1, 2033
Public Improvement Bonds, Issue of 2004	July 13, 2004	Dec. 1, 2033
Public Improvement Bonds, Issue of 2005A	May 24, 2005	Dec. 1, 2034
General Obligation Refunding Bonds, Series 2005	July 6, 2005	Dec. 1, 2029
Public Improvement Bonds, Issue of 2007A	Dec. 14, 2007	Dec. 1, 2036
Public Improvement Bonds, Issue of 2010A Taxable Build America Bonds	Jan. 19, 2010	Dec. 1, 2039
<u>LIMITED TAX BONDS (Note E.)</u>		
Series 2005	July 6, 2005	Mar. 1, 2021
<u>DRAINAGE SYSTEM SPECIAL TAX BONDS (Note F.)</u>		
Drainage System Bonds, Series 1998 (9 mill)	Dec. 1, 1998	Dec. 1, 2018
Series 2002 (9 mill)	Oct. 1, 2002	Dec. 1, 2022

See accompanying notes.

<u>Average Annual Interest Cost</u>	<u>Principal due 2010</u>	<u>Interest due 2010</u>	<u>Debt Service due 2010</u>	<u>Amount Outstanding (Note A.)</u>
7.071%	\$ 6,859,718	\$ 18,585,282	\$ 25,445,000	\$ 47,058,709
4.948%	3,305,000	4,828,438	8,133,438	90,920,000
5.225%	550,000	48	550,048	20,740,000
5.307%	740,000	1,539,293	2,279,293	29,280,000
5.384%	0	3,018,769	3,018,769	58,415,000
5.021%	940,000	1,875,138	2,815,138	37,305,000
5.096%	680,000	1,546,188	2,226,188	30,615,000
4.347%	340,000	676,300	1,016,300	15,070,000
5.180%	3,935,000	5,436,700	9,371,700	105,005,000
5.086%	1,450,000	3,741,325	5,191,325	73,610,000
8.405%	0	1,810,743	1,810,743	40,000,000
	<u>\$ 18,799,718</u>	<u>\$ 43,058,224</u>	<u>\$ 61,857,942</u>	<u>\$ 548,018,709</u>
4.045%	<u>\$ 1,705,000</u>	<u>\$ 1,231,935</u>	<u>\$ 2,936,935</u>	<u>\$ 26,845,000</u>
4.838%	\$ 520,000	\$ 272,723	\$ 792,723	\$ 5,675,000
4.457%	715,000	675,016	1,390,016	15,850,000
	<u>\$ 1,235,000</u>	<u>\$ 947,739</u>	<u>\$ 2,182,739</u>	<u>\$ 21,525,000</u>

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BONDED DEBT ADMINISTERED
BY BOARD OF LIQUIDATION, CITY DEBT (CONTINUED)
DECEMBER 31, 2009

	<u>Date of Bonds</u>	<u>Final Serial Maturity</u>
<u>SEWERAGE SERVICE REVENUE BONDS (Note G.)</u>		
Bond Series 1997	June 1, 1997	June 1, 2017
Bond Series 1998	Dec. 1, 1998	June 1, 2018
Bond Series 2000	May 1, 2000	June 1, 2020
Bond Series 2000B	Nov. 1, 2000	June 1, 2020
Bond Series 2001	Dec. 1, 2001	June 1, 2021
Bond Series 2002	Dec. 1, 2002	June 1, 2022
Bond Series 2003	Dec. 3, 2003	June 1, 2023
Bond Series 2004	Dec. 16, 2004	June 1, 2024
Bond Series 2009	July 14, 2009	June 1, 2029
<u>WATER REVENUE BONDS (Note H.)</u>		
Series 1998	Dec. 1, 1998	Dec. 1, 2018
Series 2002	Oct. 1, 2002	Dec. 1, 2022
<u>AUDUBON PARK COMMISSION BONDS .4 MILL (Note I.)</u>		
Refunding & Improvement Bonds, Series 1997	Jan. 1, 1997	Dec. 1, 2016
<u>AUDUBON PARK COMMISSION AQUARIUM BONDS 3.8 MILL (Note J.)</u>		
Refunding Bonds, Series 2001A	Nov. 1, 2001	Oct. 1, 2017
Bond Series 2001B	Nov. 1, 2001	Oct. 1, 2021
Refunding Bonds, Series 2003A	July 9, 2003	Oct. 1, 2013
<u>DOWNTOWN DEVELOPMENT DISTRICT TAX BONDS 22.97 MILL (Note K.)</u>		
Limited Tax Bonds Series 2001	July 1, 2001	Dec. 1, 2026

See accompanying notes.

Average Annual Interest Cost	Principal due 2010	Interest due 2010	Debt Service due 2010	Amount Outstanding (Note A.)
5.359%	\$ 1,655,000	\$ 815,070	\$ 2,470,070	\$ 16,115,000
4.817%	1,320,000	654,750	1,974,750	14,360,000
5.478%	1,230,000	966,638	2,196,638	18,425,000
5.424%	950,000	721,043	1,671,043	14,010,000
5.018%	1,485,000	1,100,240	2,585,240	23,015,000
4.362%	2,380,000	2,102,850	4,482,850	43,485,000
3.939%	235,000	167,856	402,856	4,260,000
4.262%	1,320,000	1,099,594	2,419,594	27,010,000
6.282%	680,000	1,328,966	2,008,966	23,375,000
	<u>\$ 11,255,000</u>	<u>\$ 8,957,007</u>	<u>\$ 20,212,007</u>	<u>\$ 184,055,000</u>
4.817%	\$ 845,000	\$ 436,493	\$ 1,281,493	\$ 9,190,000
4.567%	1,270,000	1,334,775	2,604,775	27,560,000
	<u>\$ 2,115,000</u>	<u>\$ 1,771,268</u>	<u>\$ 3,886,268</u>	<u>\$ 36,750,000</u>
5.422%	<u>\$ 260,000</u>	<u>\$ 112,015</u>	<u>\$ 372,015</u>	<u>\$ 2,170,000</u>
4.731%	\$ 15,000	\$ 44	\$ 15,044	\$ 13,390,000
5.586%	70,000	27,755	97,755	6,223,572
3.726%	2,325,000	501,500	2,826,500	10,030,000
	<u>\$ 2,410,000</u>	<u>\$ 529,299</u>	<u>\$ 2,939,299</u>	<u>\$ 29,643,572</u>
5.193%	<u>\$ 225,000</u>	<u>\$ 302,728</u>	<u>\$ 527,728</u>	<u>\$ 5,910,000</u>

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED
BY BOARD OF LIQUIDATION, CITY DEBT
DECEMBER 31, 2009

- Note A. Amount Outstanding - Amount excludes balances recorded as liabilities in the Combining Statement of Assets, Liabilities, and Custodial, Debt Service and Reserve Funds-Modified Cash Basis.
- Note B. General Obligation Bonds - Legal Debt Limit: \$1,020,858,767; Debt Service Coverage: Unlimited Ad Valorem Tax Levy; Reserve Fund: Sufficient to cover 1/2 of the high year's Principal and Interest due.
- Note C. Refunded General Obligation Bonds (1998) - A portion of these Issues Refunded in 1998. Debt Service guaranteed by Escrow Agreement.
- Note D. Refunded General Obligation Bonds (2002) - A portion of these Issues Refunded in 2002. Debt Service guaranteed by Escrow Agreement.
- Note E. Limited Tax Bonds - Debt Service Coverage: 2009 Tax Yield 110% of Debt Service due.
- Note F. Drainage System Bonds - Legal Debt Limit: ; Debt Service Coverage: 2009 Tax Yield 686% of Debt Service Due- 9 mill.
- Note G. Sewerage Service Revenue Bonds - Bond Debt Service Coverage: Rates sufficient to produce revenues over and above the amount required for operation and maintenance of the system which shall be not less than 130% of the maximum of Debt Service due in any calendar year on all outstanding bonds. Bond Reserve Fund: 125% average aggregate debt service.
- Note H. Water Revenue Bonds - Debt Service Coverage: Rates sufficient to produce revenues over and above the amount required for operation and maintenance of the system which shall be not less than 130% of the maximum of Debt Service due in any calendar year on all outstanding bonds. Reserve Fund: Highest year's principal and interest due.
- Note I. Audubon Park Commission .4 Mill Bonds - Debt Service Coverage: 2009 Tax Yield 187% of Debt Service due. Reserve Fund: Sufficient to cover 1/2 of high year's Principal and Interest due.
- Note J. Audubon Park Commission 3.8 Mill Bonds - Debt Service Coverage: 2009 Tax Yield 179% of Debt Service due. Reserve Fund: None.
- Note K. Downtown Development District Bonds - Debt Service Coverage: 2009 Tax Yield 880% of Debt Service due. Reserve Fund: Sufficient to cover The high year's Principal and Interest due.

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BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE
AVAILABLE FOR SERVICING OF BONDED DEBT
DECEMBER 31, 2009

	<u>1989</u>	<u>1990 & 1991</u>
<u>DEBT SERVICE</u>	37.90	35.30
<u>CAPITAL IMPROVEMENT LIMITED TAX (Note B.)</u>	N/A	N/A
<u>SEWERAGE & WATER BOARD:</u>		
Construction & Extension of Sewerage, Water & Drainage System (Tax expired 12/31/91)	4.00	4.00
Operation, Maintenance and Construction & Extension of Drainage System	6.01	6.01
Operation, Maintenance and Construction of Drainage System	6.09	6.09
Operation, Maintenance and Construction of Drainage System	9.13	9.13
<u>AUDUBON PARK COMMISSION:</u>		
Audubon Park Zoo	.41	.41
Audubon Park Aquarium (Note C.)	3.86	3.86
<u>DOWNTOWN DEVELOPMENT DISTRICT</u>	13.24	13.24

See accompanying notes.

Millage (Note A.)							
<u>1992</u>	1993 through <u>2002</u>	2003 through <u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
26.90	26.90	28.40	38.20	31.70	23.80	23.80	25.50
N/A	2.50	2.50	2.50	2.50	1.82	1.82	1.82
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6.40	6.40	6.40	6.40	6.40	4.66	4.54	4.66
6.48	6.48	6.48	6.48	6.48	4.71	4.60	4.71
9.71	9.71	9.71	9.71	9.71	7.06	6.89	7.06
.44	.44	.44	.44	.44	.32	.32	.32
4.11	4.11	4.11	4.11	4.11	2.99	2.99	2.99
15.68	15.90	15.90	15.90	15.90	14.76	14.76	14.76

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE
AVAILABLE FOR SERVICING OF BONDED DEBT
DECEMBER 31, 2009

- Note A. Millage is approved in December of each year by the City Council of New Orleans for the new tax year.
- Note B. The 2.5 mills for Capital Improvement Limited Tax is in effect for the first time in 1996.
- Note C. The 3.8 mills for Audubon Park Aquarium was in effect for the first time in 1987.

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF SEWERAGE & WATER BOARD MATURED BONDS-DEBT ADMINISTRATION
DECEMBER 31, 2009

	Sewerage, Water & Drainage Bonds 2 mill *	Drainage System Bonds 3 mill 6.40	Total
<u>ASSETS</u>			
Cash	\$ 30,243	\$ 6,899	\$ 37,142
Total Assets	<u>\$ 30,243</u>	<u>\$ 6,899</u>	<u>\$ 37,142</u>
<u>LIABILITIES</u>			
Interest payable	\$ 10,243	\$ 1,899	\$ 12,142
Principal payable	20,000	5,000	25,000
Total Liabilities	<u>\$ 30,243</u>	<u>\$ 6,899</u>	<u>\$ 37,142</u>

* Tax expired December 31, 1991.

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF DEFEASED BONDS-DEBT ADMINISTRATION
AT AND FOR THE YEAR ENDED DECEMBER 31, 2009

	General Obligation Bonds	Drainage System Fund	Sewerage Service Revenue Bonds
<u>RECEIPTS</u>			
Debt service funds-Escrow Accounts			
Interest	\$ 1,549,948	\$ 0	\$ 0
Principal	27,005,000	0	0
Total Receipts	<u>28,554,948</u>	<u>0</u>	<u>0</u>
<u>DISBURSEMENTS</u>			
Interest on refunded bonds	1,549,948	0	0
Principal on refunded bonds	27,005,000	0	0
Total disbursements	<u>28,554,948</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of receipts over disbursement	0	0	0
Fund Balances at:			
December 31, 2008	38,678	0	14,320
December 31, 2009	<u>\$ 38,678</u>	<u>\$ 0</u>	<u>\$ 14,320</u>
<u>ASSETS</u>			
Cash	\$ 38,678	\$ 0	\$ 14,320
Total Assets	<u>\$ 38,678</u>	<u>\$ 0</u>	<u>\$ 14,320</u>
<u>LIABILITIES</u>			
Interest payable	\$ 15,463	\$ 0	\$ 1,785
Principal payable	23,215	0	12,535
Total Liabilities	<u>\$ 38,678</u>	<u>\$ 0</u>	<u>\$ 14,320</u>

Water Revenue Bonds	Audubon Park Commission Aquarium Bonds	Audubon Park Commission Bonds	Downtown Development District	Limited Tax Bonds 2.5 Mills	Total
\$ 0	\$ 62,255	\$ 656,399	\$ 158,459	\$ 0	\$ 2,427,061
0	0	0	0	0	27,005,000
0	62,255	656,399	158,459	0	29,432,061
2,756	62,255	656,399	158,459	0	2,429,817
5,000	0	0	0	0	27,010,000
7,756	62,255	656,399	158,459	0	29,439,817
(7,756)	0	0	0	0	(7,756)
16,076	2,219	0	0	0	71,293
\$ 8,320	\$ 2,219	\$ 0	\$ 0	\$ 0	\$ 63,537
\$ 8,320	\$ 2,219	\$ 0	\$ 0	\$ 0	\$ 63,537
\$ 8,320	\$ 2,219	\$ 0	\$ 0	\$ 0	\$ 27,787
0	0	0	0	0	35,750
\$ 8,320	\$ 2,219	\$ 0	\$ 0	\$ 0	\$ 63,537

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF ITEMIZED DISBURSEMENTS-INTEREST AND PRINCIPAL PAID
FOR THE YEAR ENDED DECEMBER 31, 2009

		Interest Paid
		Tax Credit Bond
	Debt Service Fund	Loan
<u>GENERAL OBLIGATION BONDS</u>		
Public Improvement Bonds, Issue of 1992	\$ 0	\$ 0
Public Improvement Bonds, Issue of 1999	47,235	0
Public Improvement Bonds, Issue of 2001	1,102,436	0
Public Improvement Bonds, Issue of 2002	1,581,293	0
Public Improvement Bonds, Issue of 2003	1,923,175	0
Public Improvement Bonds, Issue of 2004	1,584,888	0
Public Improvement Bonds, Issue of 2005A	695,800	0
Public Improvement Bonds, Issue of 2007A	3,810,825	0
General Obligation Refunding Bonds, Series 1991	18,093,176	0
General Obligation Refunding Bonds, Series 1998	4,999,488	0
General Obligation Refunding Bonds, Series 2002	3,018,769	0
General Obligation Refunding Bonds, Series 2005	5,444,950	0
Total General Obligation Bonds	\$ 42,302,035	\$ 0
<u>SPECIAL TAX BONDS</u>		
Limited Tax Bonds, Series 2005	\$ 1,282,035	\$ 0
<u>SEWER & WATER BOARD SPECIAL TAX BONDS</u>		
Drainage System Bonds, Series 1998	\$ 294,473	\$ 0
Drainage System Bonds, Series 2002	716,116	0
Total Drainage System 9 mill bonds	\$ 1,010,589	\$ 0
<u>SEWER & WATER BOARD REVENUE BONDS & BANS</u>		
Sewerage Service Revenue Bonds, Series 1997	\$ 898,135	\$ 0
Sewerage Service Revenue Bonds, Series 1998	711,461	0
Sewerage Service Revenue Bonds, Series 2000	1,036,625	0
Sewerage Service Revenue Bonds, Series 2000B	769,474	0
Sewerage Service Revenue Bonds, Series 2001	1,164,860	0
Sewerage Service Revenue Bonds, Series 2002	2,195,550	0
Sewerage Service Revenue Bonds, Series 2003	174,021	0
Sewerage Service Revenue Bonds, Series 2004	1,143,269	0
Sewerage Service Revenue Bonds, Series 2009	510,145	0
Sewerage Service Revenue Refunding BANS 2006	1,206,306	0
Total Sewerage Service Revenue Bonds	\$ 9,809,846	\$ 0

Principal Paid				
Total Interest	Debt Service Fund	Tax Credit Bond Loan	Total Principal	Total Interest and Principal
\$ 0	\$ 10,000	\$ 0	\$ 10,000	\$ 10,000
47,235	705,000	0	705,000	752,235
1,102,436	520,000	0	520,000	1,622,436
1,581,293	700,000	0	700,000	2,281,293
1,923,175	915,000	0	915,000	2,838,175
1,584,888	645,000	0	645,000	2,229,888
695,800	325,000	0	325,000	1,020,800
3,810,825	1,390,000	0	1,390,000	5,200,825
18,093,176	7,351,824	0	7,351,824	25,445,000
4,999,488	3,110,000	0	3,110,000	8,109,488
3,018,769	0	0	0	3,018,769
5,444,950	275,000	0	275,000	5,719,950
\$ 42,302,035	\$ 15,946,824	\$ 0	\$ 15,946,824	\$ 58,248,859
\$ 1,282,035	\$ 1,635,000	\$ 0	\$ 1,635,000	\$ 2,917,035
\$ 294,473	\$ 500,000	\$ 0	\$ 500,000	\$ 794,473
716,116	685,000	0	685,000	1,401,116
\$ 1,010,589	\$ 1,185,000	\$ 0	\$ 1,185,000	\$ 2,195,589
\$ 898,135	\$ 1,570,000	\$ 0	\$ 1,570,000	\$ 2,468,135
711,461	1,265,000	0	1,265,000	1,976,461
1,036,625	1,160,000	0	1,160,000	2,196,625
769,474	895,000	0	895,000	1,664,474
1,164,860	1,420,000	0	1,420,000	2,584,860
2,195,550	2,255,000	0	2,255,000	4,450,550
174,021	230,000	0	230,000	404,021
1,143,269	1,270,000	0	1,270,000	2,413,269
510,145	0	0	0	510,145
1,206,306	24,030,000	0	24,030,000	25,236,306
\$ 9,809,846	\$ 34,095,000	\$ 0	\$ 34,095,000	\$ 43,904,846

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF ITEMIZED DISBURSEMENTS-INTEREST AND PRINCIPAL PAID (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

	Interest Paid	
	Debt Service Fund	Tax Credit Bond Loan
<u>SPECIAL TAX & REVENUE BONDS (CONTINUED)</u>		
Water Revenue Bonds, Series 1998	\$ 471,728	\$ 0
Water Revenue Bonds, Series 2002	1,377,125	0
Total Water Revenue Bonds	\$ 1,848,853	\$ 0
<u>AUDUBON COMMISSION SPECIAL TAX BONDS</u>		
Audubon Park Commission Improvement Bonds, Series 1997	62,255	0
Total Audubon Park Commission Aquarium Bonds	\$ 62,255	\$ 0
Audubon Park Commission Aquarium Bonds, Series 1993	\$ 0	\$ 0
Audubon Park Commission Aquarium Bonds, Series 2001A	\$ 345,704	\$ 0
Audubon Park Commission Aquarium Bonds, Series 2001B	15,145	0
Audubon Park Commission Aquarium Bonds, Series 2003A	295,550	0
Total Audubon Park Commission Aquarium Bonds	\$ 656,399	\$ 0
<u>Downtown Development District Special Tax Bonds, Series 2001</u>	\$ 158,459	\$ 0
DEFEASED BONDS		
<u>GENERAL OBLIGATION DEFEASED BONDS</u>		
Public Improvement Bonds, Issue of 1999	\$ 1,549,947	\$ 0
Total General Obligation Defeased Bonds	\$ 1,549,947	\$ 0
<u>SEWER & WATER BOARD REVENUE BONDS</u>		
Water Revenue Bonds, Series E	\$ 2,756	\$ 0
Total Water Revenue Bonds	\$ 2,756	\$ 0
<u>AUDUBON COMMISSION SPECIAL TAX BONDS</u>		
Audubon Park Commission Improvement Bonds, Series 1997	\$ 0	\$ 62,255
Audubon Park Commission Aquarium Bonds, Series 2001A	\$ 0	\$ 345,705
Audubon Park Commission Aquarium Bonds, Series 2001B	0	15,145
Audubon Park Commission Aquarium Bonds, Series 2003A	0	295,550
Total Audubon Park Commission Aquarium Bonds	\$ 0	\$ 656,400
<u>Downtown Development District Special Tax Bonds, Series 2001</u>	\$ 0	\$ 158,459
Total Special Tax & Revenue Bonds Defeased	\$ 0	\$ 877,114
Total Defeased Bonds	\$ 1,552,703	\$ 877,114
Total Itemized Disbursements-Interest, Principal and Premium Paid	\$ 58,683,174	\$ 877,114

Total Interest	Debt Service Fund	Principal Paid		Total Interest and Principal
		Tax Credit Bond Loan	Total Principal	
\$ 471,728	\$ 810,000	\$ 0	\$ 810,000	\$ 1,281,728
1,377,125	1,210,000	0	1,210,000	2,587,125
\$ 1,848,853	\$ 2,020,000	\$ 0	\$ 2,020,000	\$ 3,868,853
62,255	245,000	0	245,000	307,255
\$ 62,255	\$ 245,000	\$ 0	\$ 245,000	\$ 307,255
\$ 0	\$ 15,300	\$ 0	\$ 15,300	\$ 15,300
\$ 345,704	\$ 15,000	\$ 0	\$ 15,000	\$ 360,704
15,145	65,000	0	65,000	80,145
295,550	2,240,000	0	2,240,000	2,535,550
\$ 656,399	\$ 2,335,300	\$ 0	\$ 2,335,300	\$ 2,991,699
\$ 158,459	\$ 215,000	\$ 0	\$ 215,000	\$ 373,459
\$ 1,549,947	\$ 27,005,000	\$ 0	\$ 27,005,000	\$ 28,554,947
\$ 1,549,947	\$ 27,005,000	\$ 0	\$ 27,005,000	\$ 28,554,947
\$ 2,756	\$ 5,000	\$ 0	\$ 5,000	\$ 7,756
\$ 2,756	\$ 5,000	\$ 0	\$ 5,000	\$ 7,756
\$ 62,255	\$ 0	\$ 0	\$ 0	\$ 62,255
\$ 345,705	\$ 0	\$ 0	\$ 0	\$ 345,705
15,145	0	0	0	15,145
295,550	0	0	0	295,550
\$ 656,400	\$ 0	\$ 0	\$ 0	\$ 656,400
\$ 158,459	\$ 0	\$ 0	\$ 0	\$ 158,459
\$ 877,114	\$ 0	\$ 0	\$ 0	\$ 877,114
\$ 2,429,817	\$ 27,010,000	\$ 0	\$ 27,010,000	\$ 29,439,817
\$ 59,560,288	\$ 84,687,124	\$ 0	\$ 84,687,124	\$ 144,247,412

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INDEPENDENT AUDITOR'S REPORT

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mrs. Mary K. Zervigon, President, and Members
Board of Liquidation, City Debt
New Orleans, Louisiana

We have audited the financial statements of the Board of Liquidation, City Debt as of and for the year ended December 31, 2009, and have issued our report thereon dated March 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Liquidation, City Debt's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Entity's financial statements that is more than inconsequential will not be prevented or detected by the Entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Entity's internal control.

Mrs. Mary K. Zervigon, President, and Members
Board of Liquidation, City Debt

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Liquidation, City Debt's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the members of the Board, the City of New Orleans, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Paciera, Gautreau & Priest, LLC

March 11, 2010